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Delaware Digest

Labor Market Monthly

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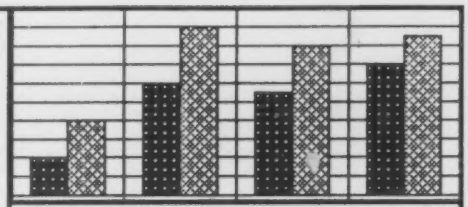

Delaware Department of Labor
Office of Occupational & Labor Market Information

Temporary Auto Layoffs Shift Delaware's Unemployment Rate Higher

Delaware's unemployment rate rose to 6.7% in August, 1991 from 6.4% in July, 1991 due to a temporary layoff at the General Motors auto assembly plant. The rate in August, 1990 was lower at 5.2%. The number of jobless Delawareans in August, 1991 was 24,643 compared to 23,496 in July, 1991. From August, 1990 to August, 1991, Delaware's labor force rose from 364,634 to 365,508.

Total nonagricultural employment fell by 3,600 over the month to 342,700 jobs. Over-the-month job losses were in **manufacturing, government, transportation and public utilities,** and **construction**. Over-the-month job gains were in **wholesale and retail trade,** due to modest gains at major department stores.

Unemployment Rate-Delaware and U.S.A.
August 1990-August 1991

Additional copies of the ***Delaware Career Compass*** are still available. The ***Career Compass*** is an all-inclusive career planning publication that takes job seekers from the very early stages of career selection to the job interview and beyond. For copies, call (302) 368-6960.

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Labor Force Trends

Delaware's unemployment rate rose slightly to 6.7% in August 1991 from 6.4% the previous month, due to a temporary layoff at the General Motors Boxwood Road auto assembly plant. The rate in August, 1990 was lower at 5.2% as both auto plants were fully operational at that time and the impact of the recession had not hit full stride. The number of jobless Delawareans in August, 1991 was 24,643 compared to 23,496 in July, 1991.

Nationally, the unemployment rate was 6.5% in August, 1991, the first time in three months that Delaware's rate has been higher than the U.S. figure. For the first eight months of this year, Delaware's unemployment rate averaged 6.9%, compared to a U.S. rate of 6.8%. In September, Delaware's rate may be lower due to the recall of auto industry workers laid off during August. Delaware's rate should track closely to the U.S. rate for the rest of the year.

From August, 1990 to August, 1991, the State's labor force rose slightly from 364,634 to 365,508. The labor force includes people, over the age of 16, who are working or actively seeking work. The estimate of employed Delaware residents is down over the year from 345,849 to 340,865.

All areas and counties in Delaware are experiencing higher unemployment rates compared to a year ago. The area with the highest unemployment in August, 1991 was the city of Wilmington with a rate of 9.1%. Kent County had the highest county rate at 7.7%. Sussex County had the lowest rate at 4.8% as a result of seasonal activity in agriculture, food processing, and the summer resort season.

Recent national economic news has been mixed, making it difficult to gauge the direction the economy will take in the coming months. The Index of Leading Economic Indicators was flat in August, compared to an average 0.8% increase each month since last February.

Factory orders fared worse as orders for manufactured goods fell 1.9% last month after posting their highest gain in 21 years in July. Some analysts wonder if the industrial sector can continue to lead economic recovery without more consumer spending.

In August, new home sales rose 6.7%, a one-year high. Analysts predict this news should spark more housing starts and allow the industry to carry on its traditional role of leading the economy out of the recession.

In Delaware, August initial unemployment claims (non-auto) were down over the month by 33% and 7% lower than in August, 1990. Although a slight improvement is indicated here, a one-month change in initial claims statistics is by no way a measure of projected economic improvement. Several more months in the same direction are needed before an accurate prognosis of improved health can be made.

Delaware's Civilian Labor Force

	August 1991	July 1991	August 1990
Civilian Labor Force	365,508	368,061	364,634
Employment	340,865	344,565	345,849
Unemployment	24,643	23,496	18,785
Unemployment Rate	6.7	6.4	5.2
National Unemployment Rate	6.5	6.7	5.4

Local Area Unemployment Statistics

August, 1991 - Preliminary

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	365,508	340,865	24,643	6.7
2. Wilmington, PMSA	313,753	291,490	22,263	7.1
3. New Castle County	245,058	227,651	17,407	7.1
4. Balance of NCC (1)	211,179	196,841	14,338	6.8
5. Wilmington City	33,879	30,810	3,069	9.1
6. Newark City	13,650	12,712	938	6.9
7. Kent County	51,801	47,830	3,971	7.7
8. Sussex County	68,649	65,384	3,265	4.8
9. United States (Non-Seasonal)	126,097	117,859	8,237	6.5
10. United States (000's) (Seasonal)	124,904	116,416	8,488	6.8

July, 1991 - Final

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	368,042	344,555	23,487	6.4
2. Wilmington, PMSA	315,914	295,486	20,428	6.5
3. New Castle County	245,805	230,534	15,271	6.2
4. Balance of NCC (1)	211,421	199,334	12,087	5.7
5. Wilmington City	34,384	31,200	3,184	9.3
6. Newark City	14,057	12,873	1,184	8.4
7. Kent County	52,697	48,472	4,225	8.0
8. Sussex County	69,540	65,549	3,991	5.7
9. United States (Non-Seasonal)	127,327	118,751	8,576	6.7
10. United States (000's) (Seasonal)	125,214	116,712	8,501	6.8

(1) Balance of NCC equals New Castle County minus Wilmington City

NOTE: Due to rounding, totals may not add and data may not match similar statistics published in various other state or National releases.

Industry Trends

Between July and August of this year, Delaware's nonagricultural employment fell by 3,600 to 342,700 jobs. The loss was due mostly to the temporary layoff at the General Motors auto assembly plant.

Job losses were in **manufacturing** (temporary auto plant layoff due to annual retooling); **government** (seasonal decreases in education); **transportation and public utilities** (trucking and warehousing); and **construction** (general building and special trades). Over-the-month job gains were in **wholesale and retail trade**, due to modest gains at major department stores.

During the 80s and into the 90s, job change between July and August has averaged a gain of 1,700 jobs. This number, which is heavily influenced by layoffs or recalls in the auto industry, can show extreme shifts in either direction, making it difficult to establish a seasonal trend.

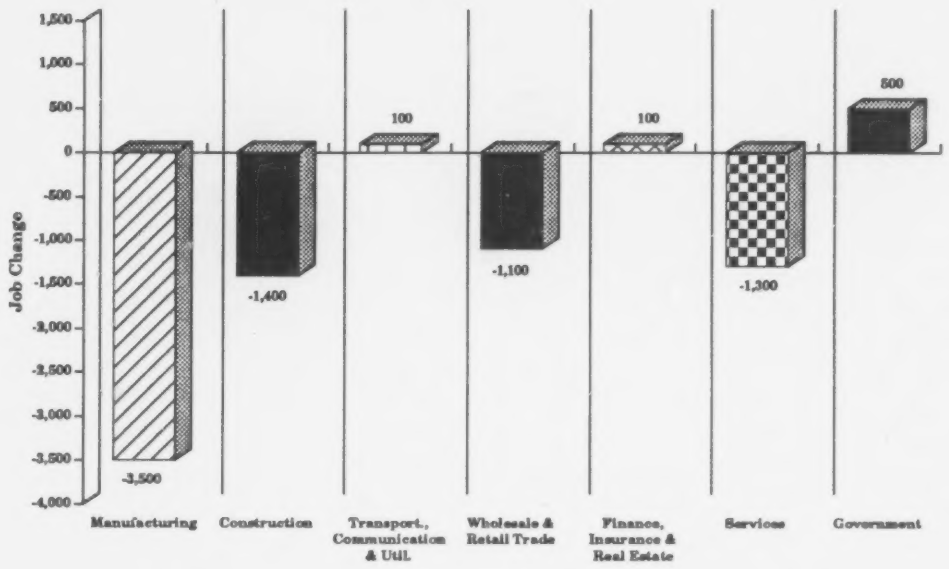
Since August, 1990, total nonagricultural employment has declined by 1.9% or 6,600 jobs. In August of last year, both auto plants were fully operating, while in August of this year Chrysler was open and General Motors was closed due to retooling.

Job losses since August of last year have been in **manufacturing** (auto industry; chemical industry); **contract construction** (general building; special trades); **services** (business services; engineering and managment services); and **wholesale and retail trade** (general merchandise stores). Over the year, employment gains have been in **government** (state education).

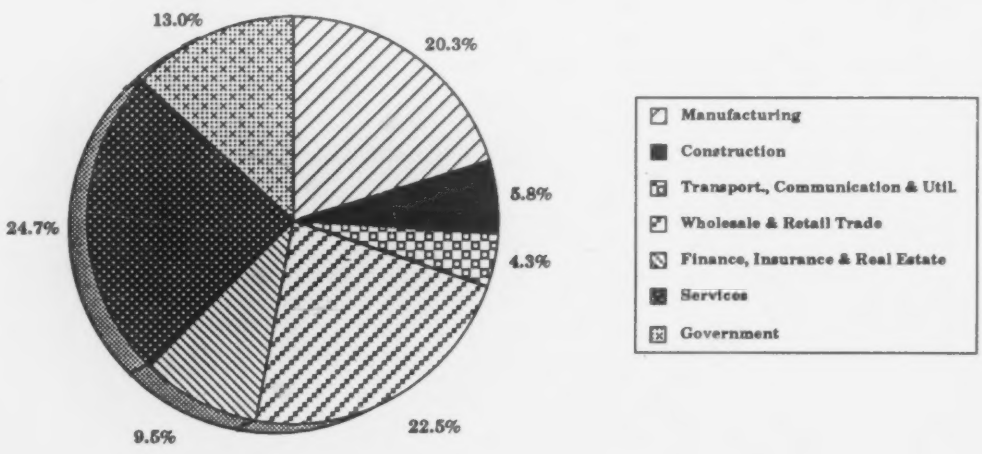
Delaware experienced a loss of 4,200 jobs, a decline of 1.2%, during the first eight months of this year, compared to the same period a year ago. Nationally, the decline in jobs during the first eight months was 1.0%. The region consisting of Maryland, Pennsylvania, New York, and New Jersey was down by 1.5%.

In future months, no model changeovers are anticipated at either of Delaware's two auto plants. For the balance of the year, any major turnaround for Delaware's key industries, such as finance, business services, chemicals, and contract construction, does not seem likely. It seems certain that 1991 will show the first net loss in non-farm jobs since the severe recession of 1975.

Net Job Change by Sector, Delaware, August 1990 -August 1991



Percent of Total Employment by Sector, Delaware, August 1991



Delaware Nonagricultural Employment by Selected Industry
(in thousands)

INDUSTRY GROUP	Aug 91	Jul 91	Aug 90	Net Change to Aug 91 from: Jul 91	Aug 90
TOTAL NONAG. EMPLOYMENT	342.7	346.3	349.3	-3.6	-6.6
GOODS PRODUCING	89.3	91.8	94.2	-2.5	-4.9
MINING	0.1	0.1	0.1	0.0	0.0
CONTRACT CONSTRUCTION	19.7	19.9	21.1	-0.2	-1.4
General Building Contractors	4.7	4.8	5.3	-0.1	-0.6
Heavy Construction Contractors	4.2	4.2	3.5	0.0	0.7
Special Trade Contractors	10.8	10.9	12.3	-0.1	-1.5
MANUFACTURING	69.5	71.8	73.0	-2.3	-3.5
Durable Goods	16.0	18.4	18.6	-2.4	-2.6
Primary & Fabricated Metals	3.0	3.0	3.2	0.0	-0.2
Machinery & Electrical Equipment	1.8	1.8	1.8	0.0	0.0
Transportation Equipment	5.6	8.0	7.8	-2.4	-2.2
Instruments & Related Products	3.0	3.0	3.1	0.0	-0.1
Other Durable Goods	2.6	2.6	2.7	0.0	-0.1
Nondurable Goods	53.5	53.4	54.4	0.1	-0.9
Food & Kindred Products	9.4	9.3	9.3	0.1	0.1
Textile, Apparel, Leather	1.6	1.5	1.6	0.1	0.0
Paper, Printing, Publishing	5.1	5.1	5.3	0.0	-0.2
Chemicals	33.6	33.7	34.2	-0.1	-0.6
Petroleum, Coal, Plastics	3.8	3.8	4.0	0.0	-0.2
SERVICE PRODUCING	253.4	254.5	255.1	-1.1	-1.7
TRANSPORTATION & PUBLIC UTILITIES	14.9	15.2	14.8	-0.3	0.1
Transportation	9.6	9.9	9.6	-0.3	0.0
Railroad Transportation	1.4	1.4	1.4	0.0	0.0
Local & Interurban Passenger Trans.	1.3	1.3	1.3	0.0	0.0
Trucking & Warehousing	4.8	5.0	4.8	-0.2	0.0
Other Transportation	2.1	2.2	2.1	-0.1	0.0
Communications & Utilities	5.3	5.3	5.2	0.0	0.1
Communications	2.2	2.2	2.2	0.0	0.0
Electrical, Gas & Sanitary Services	3.1	3.1	3.0	0.0	0.1
WHOLESALE & RETAIL TRADE	77.1	76.9	78.2	0.2	-1.1
Wholesale Trade	13.5	13.5	13.6	0.0	-0.1
Wholesale-Durable	7.7	7.7	7.7	0.0	0.0
Wholesale-Nondurable	5.8	5.8	5.9	0.0	-0.1
Retail Trade	63.6	63.4	64.6	0.2	-1.0
Building Material & Garden Supplies	2.8	2.8	2.9	0.0	-0.1
General Merchandise Stores	8.4	8.2	8.8	0.2	-0.4
Food Stores	9.6	9.6	9.7	0.0	-0.1
Auto Dealers & Service Stations	6.6	6.6	6.8	0.0	-0.2
Apparel & Accessory Stores	3.6	3.7	3.6	-0.1	0.0
Furniture & Home Furnishings	2.5	2.5	2.6	0.0	-0.1
Eating & Drinking Places	21.4	21.3	21.6	0.1	-0.2
Miscellaneous Retail	8.7	8.7	8.6	0.0	0.1

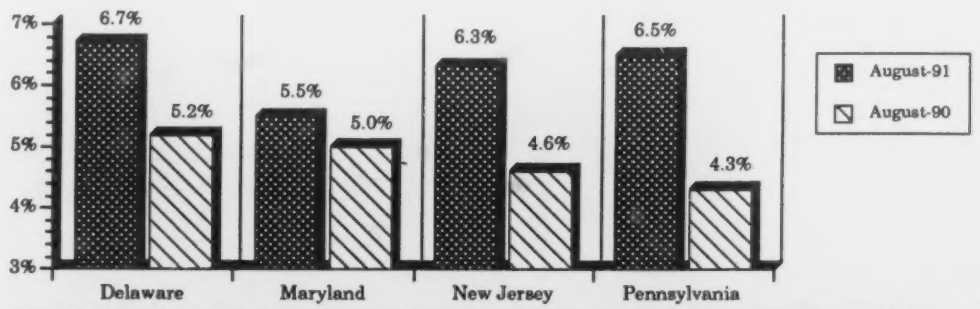
Cont'd

Delaware Nonagricultural Employment by Selected Industry
(in thousands)

INDUSTRY GROUP	Aug 91	Jul 91	Aug 90	Net Change to Aug 91 from: Jul 91	Aug 90
FINANCE, INSURANCE, & REAL ESTATE	32.4	32.5	32.3	-0.1	0.1
Finance	23.3	23.4	23.0	-0.1	0.3
Depository Institutions	20.3	20.4	20.1	-0.1	0.2
Other Finance	3.0	3.0	2.9	0.0	0.1
Insurance	5.7	5.7	5.6	0.0	0.1
Real Estate	3.4	3.4	3.7	0.0	-0.3
SERVICES	84.6	84.6	85.9	0.0	-1.3
Hotels & Other Lodging Places	3.2	3.2	3.3	0.0	-0.1
Personal Services	3.0	3.0	3.1	0.0	-0.1
Business Services	20.3	20.4	21.0	-0.1	-0.7
Automobile & Miscellaneous Repair	3.7	3.6	3.8	0.1	-0.1
Amusement & Recreation Services	4.1	4.1	3.9	0.0	0.2
Health Services	22.8	22.8	22.7	0.0	0.1
Hospitals	11.6	11.6	11.4	0.0	0.2
Other Health Services	11.2	11.2	11.3	0.0	-0.1
Legal Services	2.8	2.8	2.9	0.0	-0.1
Educational Services	3.5	3.5	3.3	0.0	0.2
Social Services	7.0	6.9	6.7	0.1	0.3
Engineering & Management Services	5.3	5.3	5.8	0.0	-0.5
Membership Organizations	5.5	5.5	5.7	0.0	-0.2
Other Services	3.4	3.5	3.7	-0.1	-0.3
GOVERNMENT	44.4	45.3	43.9	-0.9	0.5
Federal Government	6.0	6.0	6.0	0.0	0.0
State & Local Government	38.4	39.3	37.9	-0.9	0.5
State Government	22.1	22.5	21.5	-0.4	0.6
State Education	7.6	7.7	6.7	-0.1	0.9
State Non-Education	14.5	14.8	14.8	-0.3	-0.3
Local Government	16.3	16.8	16.4	-0.5	-0.1
Local Education	10.8	11.2	10.8	-0.4	0.0
Local Non-Education	5.5	5.6	5.6	-0.1	-0.1
Persons Involved In Work Stoppages	0.0	0.0	0.0	0.0	0.0

Current Data Preliminary; Previous Month Revised

Regional Unemployment Rates, August 1991



Hours and Earnings of Production Workers in Manufacturing Industries

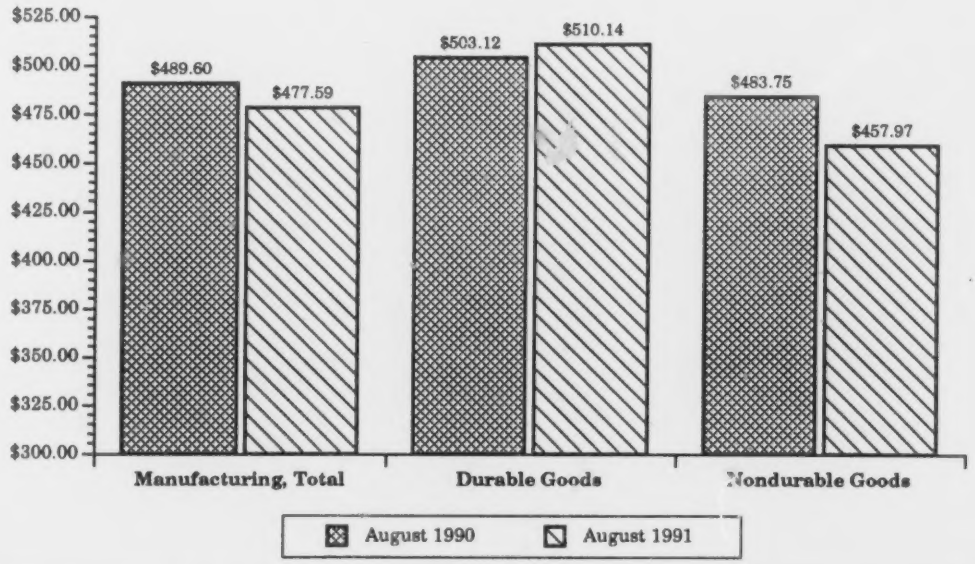
Delaware*

	Weekly Earnings			Weekly Hours			Hourly Earnings		
	Aug-91	Jul-91	Aug-90	Aug-91	Jul-91	Aug-90	Aug-91	Jul-91	Aug-90
MANUFACTURING	$ 477.59	$ 486.25	$ 489.60	39.7	39.5	40.0	$12.03	$ 12.31	$ 12.24
DURABLE GOODS	510.14	557.48	503.12	37.4	38.5	38.0	13.64	14.48	13.24
Primary & Fabricated Metals	447.64	452.35	416.10	38.0	38.4	38.0	11.78	11.78	10.95
Machinery & Electrical Equipment	633.38	600.50	528.26	45.6	45.7	39.6	13.89	13.14	13.34
Transportation Equipment	596.19	661.56	594.36	33.4	37.0	37.5	17.85	17.88	15.85
Instruments & Related	382.59	392.22	362.91	40.4	41.2	40.1	9.47	9.52	9.05
Other Durable Goods	367.35	360.96	353.61	39.8	38.4	37.9	9.23	9.40	9.33
NONDURABLE GOODS	457.97	434.84	483.75	41.0	40.3	41.1	11.17	10.79	11.77
Food & Kindred Products	336.96	319.20	331.14	40.5	39.8	39.8	8.32	8.02	8.32
Textile, Apparel, Leather	355.51	395.40	379.05	38.6	38.5	41.7	9.21	10.27	9.09
Paper, Printing, and Publishing	470.42	437.19	415.45	39.9	39.0	37.7	11.79	11.21	11.02
Chemicals	660.01	632.88	605.49	42.2	41.5	41.5	15.64	15.25	14.59
Petroleum, Coal, Plastics	477.81	445.77	482.22	42.7	41.7	47.0	11.19	10.69	10.26

*Covers an estimated 30,800 Production Workers

Current Data Preliminary; previous month revised

Delaware Average Weekly Earnings for Manufacturing Production Workers



The Department of Labor Serving You Better...

On October 4, three Delaware companies were recognized by Governor Castle for "going the extra mile" to ensure the safety of their employees. Free-Flow Packaging Corporation of Newark; Metal-Tech, Inc. of New Castle; and Plastic Materials Company, Inc. of Milford have qualified for the U.S. Occupational Safety and Health Administration's exemption program. Qualifying for the program exempts the companies from all generally scheduled Federal Occupational Safety and Health inspections for one year.

"These companies have clearly demonstrated the type of commitment that should be placed on ensuring a safe workplace for all employees," said Governor Castle. "I commend them for going beyond simply meeting the minimum OSHA standards by developing and implementing progressive and comprehensive safety programs."

Free-Flow Packaging Corporation has developed a proprietary system that recycles polystyrene, commonly known as Styrofoam, into a figure eight packaging material used to cushion objects during shipping. The product is nontoxic, made without ozone-depleting chemicals, and can be continually recycled.

Metal-Tech, Inc. produces finished metal products for both manufacturing and consumer use. The facility uses computer-controlled lathes which improve the product and reduce the time needed for training employees.

Plastic Materials Company, Inc., by contract order, primarily produces plastic pellets in tightly defined colors for use in plastics manufacturing by automobile and computer industries. The company also directly competes with foreign concerns to produce and market an American made plastic extruder which sells for $750,000 versus the $2 million foreign model.

Secretary of Labor Jan Ewing Robinson praised all three companies for their commitment to the safety and health of their employees. She encouraged other companies of under 500 employees to contact the department's OSHA Consultation Service for assistance in identifying, eliminating or controlling safety and health hazards. "There are no costs, fines, or penalties associated with this service," said Secretary Robinson. "By taking advantage of this service, some companies have even been able to qualify for workers compensation reduction from the Insurance Commissioner's Office."

Division of Vocational Rehabilitation

On October 2, the Governor's Committee on Employment of People with Disabilities honored two people as co-winners of the 1990 "Employee of the Year."

Bill Manella is a clinical social worker and owner of the Sussex Counseling Center. Severely orthopedically disabled since birth, Bill is married and has two children. The Department of Labor's Division of Vocational Rehabilitation helped him in networking and provided accommodations to help in the establishment of his business.

Catherine Brickman of Newark is the co-winner of this award. Catherine was paralyzed after a 1985 car accident and currently works for Digital Equipment Corporation as a Product Support Specialist. The Division of Vocational Rehabilitation assisted Catherine is adapting a van so that she can drive without help.

On the county level, Joanne Knox of the DuPont Company was presented with the New Castle County award. Herbert Predeaux, a technician for Intervet America, Inc., received the Sussex County award, and in Kent County, Scott Ward of Classic Realty in Milford was honored.

The Governor's Committee also honored Wachovia Bank Card Services in New Castle as the Delaware Employer of the Year for its efforts in hiring and accommodating people with disabilities.

The Sheraton Inn in Dover, Kent County; Rose's Stores, Inc., Sussex County; and the Bank of New York, New Castle County were presented county-level employer awards.

LMI: What is it?

Labor Market Information (LMI), as defined in economic terms, is: *information that describes and interprets the demographic and socioeconomic activities related to the marketplace through which the price and allocation of labor is established*. Simply put, however, Labor Market Information is about people and jobs.

One of the easiest ways to understand what Labor Market Information is and how it works is through personal observation. Labor Market Information is anything happening around you that indicates some type of economic activity. Road construction can mean new jobs in the construction sector. Expansion of a shopping center can indicate potential retail jobs. On the other hand, vacancies in the your local mall or office complex could indicate weak business activity. Pick up your local paper and notice the various economic activities happening around you.

Labor Market Information also comes in the form of statistics. The Office of Occupational and Labor Market Information (OOLMI) is the Delaware's Labor Market Information center. OOLMI gathers, analyzes, and disseminates LMI data on a wide range of subjects such as the unemployment rate, demographic data for affirmative action requests, civilian and military job descriptions, wage information, employment projections, occupational characteristics, specific questions about occupations (licensing, union etc.), training program descriptions, industry descriptions, and industrial outlook references to other career information.

In addition to providing statistical information to a wide range of data users, OOLMI also produces several LMI publications, including: ***Delaware Workforce 2000*** (an extensive overview of Delaware's workforce); ***Delaware Jobs 2000*** (employment projections for the period 1987-2000); ***The Changing Role of Women in Delaware's Workforce*** (tracks women's emerging importance in Delaware's labor market); ***The Delaware Digest: Labor Market Monthly*** (current data on Delaware's labor force), ***The 1990 Year in Brief***, (annual comparison of current year and previous year's Delaware labor market and ***The Delaware Career Compass***. (comprehensive career counseling tool).

LMI: Why Is It Important?

Labor Market Information has many users. Employers use LMI to determine wages, design working conditions, and evaluate alternative business opportunities. School counselors and students use LMI job projections to help select study programs and career paths. Educators and trainers use LMI to identify skill needs, develop school curriculums, and design and implement training programs. Job seekers use LMI to identify and evaluate employment opportunities in different industries and occupations. Labor Market Information helps policy makers evaluate the success of employment and training programs and target growth industries for economic development.

Where does LMI Come From?

The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor generates a large portion of Labor Market Information. BLS provides funding and technical support to allow states like Delaware to gather and analyze data through employer surveys and use of Unemployment Insurance Statistics. Some of the data included are the unemployment rate, employment figures by occupation, employment and wages by industry, and data regarding company layoffs.

The Bureau of Labor Statistics also prepares data which are used in the *Consumer Price Index*, a monthly cost-of-living barometer. A valuable LMI tool is the annual report, *Geographic Profile of Employment and Unemployment*, which contains demographic data on the labor force as well as occupational and industry estimates of people in each state.

Another federal agency providing LMI is the Commerce Department. The Census Bureau conducts the Decennial Census which provides detailed statistics on population, housing income and occupational statistics. The Bureau Of Economic Analysis provides current personal income statistics such as per capita personal income.

Other sources of LMI include the Delaware Development Office, Delaware Population Consortium, Chambers of Commerce, County Planning Offices, and colleges and universities.

The Office of Occupational and Labor Market Information is routinely contacted by radio, television and the printed media for analysis and comments on current labor market trends. The office receives and responds to hundreds of telephone calls and letters each year. OOLMI labor market analysts frequently speak to groups interested in the impact of local labor market conditions on educational and/or economic program development. For more information on Labor Market Information services and publications, call OOLMI at (302) 368-6960.

LMI: Where Do I Get It?

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Unemployment Insurance Statistics

	August 1991	July 1991	August 1990	% Change From Prior Month	% Change From Year Ago
Initial Claims-Total *	3,374	10,182	5,727	-67%	-41%
Auto Makers	181	5,450	2,285	-97%	-92%
Non-Auto	3,193	4,732	3,442	-33%	-7%
Weeks Claimed **	47,761	45,312	18,475	5%	159%
Auto Makers	16,165	10,283	2,371	57%	582%
Non-Auto	31,596	35,029	18,475	-10%	71%
First Payments #	4,329	1,892	3,934	129%	10%
Final Payments ##	558	620	222	-10%	151%
Weeks Compensated @	46,189	34,112	20,042	35%	130%
Amount Compensated	8,748,815	5,944,230	3,316,091	47%	164%
Average Weekly Check Amount	189	174	165	9%	15%

* **Initial Claims** include New Claims and Additional Claims. A New Claim is filed when a person becomes unemployed and files for unemployment insurance for the very first time in a benefit year. Additional Claims are filed when someone has already filed a New Claim due to unemployment, returned to work, and then become unemployed again.

** **Weeks Claimed** account for the total number of weeks claimed for unemployment insurance within a given month.

\# **First Payments** are New Claims that receive unemployment compensation checks.

\## **Final Payments** occur when a claimant receives the last check in his or her benefit cycle (not to exceed one year).

@ **Weeks Compensated** account for the number of Weeks Claimed that were paid during the month.

Initial Claims for Unemployment Insurance benefits dropped sharply from July to August, led by a return to work at both of the state's auto plants.

Claims on employers other than auto makers also dropped, falling by one-third over the month. This 33% decline in non-auto initial claims is more than double the normal seasonal drop from July to August. Of the non-auto claims that were filed, a substantial portion were in auto-related industries (suppliers to auto manufacturers or new car carriers).

Perhaps more significant was the 7% decline from the August 1990 level of non-auto initial claims. This marks the first time this year that current-month claims have been below their year-ago levels.

The large increase in first payments over the month is essentially due to accounting procedures as auto workers transition to a new benefit year. Each worker who is laid off must re-establish his or her claim to benefits annually. This occurs most often in late summer as the plants shut down for retooling and model changeover.

The number of benefit exhaustees drawing their final payments remained high, although it did decline by 10% over the month. This group is likely to remain large until the state's economy picks up steam and hiring accelerates.

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